

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ENVIRONMENTAL GAS)
COMPANY, A KENTUCKY CORPORATION, FOR)
A CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO BID FOR NATURAL GAS)
FRANCHISES IN WAYNE COUNTY, CITY OF) CASE NO. 96-018
MONTICELLO, CUMBERLAND COUNTY, CITY)
OF BURKESVILLE, CLINTON COUNTY,)
CASEY COUNTY, AND MONROE COUNTY,)
KENTUCKY)

O R D E R

On January 23, 1996, Environmental Gas Company ("Environmental Gas") filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on gas franchises in the cities of Monticello and Burkesville, Kentucky; and from the Kentucky counties of Wayne, Cumberland, Clinton, Casey, and Monroe. Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

The Commission determines that there is evidence of a need and demand for gas service in the above-mentioned areas. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to

the qualifications of the bidder, the validity of any of the provisions of the franchise offered by said cities or counties, or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

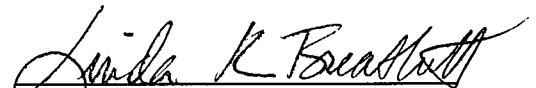
1. Environmental Gas is granted a Certificate of Convenience and Necessity which authorizes it to bid on gas franchises in the above-mentioned areas.

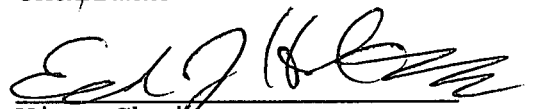
2. Environmental Gas, if it becomes the successful bidder, shall file with this Commission two copies of each franchise agreement.

3. This Order shall not be construed as granting a Certificate of Convenience and Necessity to construct utility facilities in the said areas.

Done at Frankfort, Kentucky, this 1st day of February, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director